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FM AMEMBASSY CANBERRA
TO RUEHC/SECSTATE WASHDC PRIORITY 2154
INFO RUEHBN/AMCONSUL MELBOURNE 6718
RUEHPT/AMCONSUL PERTH 4983
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UNCLAS CANBERRA 000938

SENSITIVE
SIPDIS

STATE FOR PM/DTCC JOUBERT-LIN

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [AS](#)
SUBJECT: BLUE LANTERN: BROKER INQUIRY K-1644

REF: SECSTATE 93693

1. (SBU) Econoff conducted asite visit with JAMES D. HENDRICKSON of JIM HENDRICKSON AND ASSOCIATES, located at 58 Wentworth Ave., Unit 2, in Canberra, on October 15. The following information is intended to answer questions in reftel:

-- Confirm that this entity is in the business of brokering defense articles and defense services at the location(s) indicated under its legal name(s);

A: Hendrickson is the sole broker in Australia for General Dynamics (GD) C4I Systems encrypted communications products for use by the government of Australia and the government of New Zealand. His office in Canberra is the sole operating location for JHA.

-- Determine whether this entity is authorized to conduct such activities in its home country, whether the entity has any criminal or other derogatory background, and whether Post has any information on its brokering or arms export activities that may involve proscribed entities such as countries under U.S. or international sanctions, or designated state sponsors of terrorism;

A: The Australian Department of Defence Defence Export Control Office (DECO) confirms that Hendrickson has applied for export licenses and been approved for export under Australian law for sensitive items.

-- Will the brokering firm be handling or storing USML items on behalf of its clients? If so, does it have secure facilities and proper accounting and security procedures for handling sensitive USML items?

A: The only items stored by Hendrickson in Australia are demo units with no cryptography software installed. They are commercially available and controlled by the Department of Commerce.

-- When was the company established and who are its principals? How many employees?

A: Hendrickson is the sole principal, following a 25-year career in the Australian Department of Defence. He has a Top Secret clearance from the GOA. His wife and daughter provide clerical and phone support. His wife has a current Secret security clearance from the GOA.

-- What is the nature of its business and what other types of items does it handle?

A: Other than GD C4I communications systems, JHA does not handle other defense related items.

-- What types of organizations are among its typical clients and in what countries are they located?

A: Primary customers in the GOA are the Department of Defense and Department of Foreign Affairs and Trade. These transactions are governed by Technical Assistance Agreements approved by the Department. Hendrickson also brokers TAAs between GC C4IS and the Government of New Zealand.

-- Does the company understand the restrictions on USML items, especially the prohibition against unauthorized re-transfers and re-exports?

A: Hendrickson is extremely well versed in the regulations governing sensitive technologies and broker services involving those technologies. He said that there was some legal debate within GD C4I and Australian partners over whether he was required to register as a broker as all his work is covered by Technical Assistance Agreements (TAA) approved between GD and its government customers, but he had gladly registered to avoid any possible appearance of impropriety.

12. (SBU) Please advise if follow-on questions are necessary to verify the bona fides of this individual or entity.

CLUNE